



Department of Insurance
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W. Dale Finke
Director

September 14, 2005

Senator Bill Stouffer
Missouri State Senate
State Capitol, Room 332
Jefferson City, Missouri 65102

Dear Senator Stouffer:

Thank you for the efforts that you and other members of the committee have devoted to consideration of the Stabilization Fund and other meaningful insurance reform measures during the past several months.

Below is the data which MDI is currently able to request from insurance companies. As we have previously mentioned, we have limited enforcement authority to collect data from surplus lines, hospitals and self-insurers. In addition to the claims data, MDI recommends enactment of laws authorizing the department to collect the following data elements. Our hope would be to develop a data collection process which complements current collection of claims data and is already standard in the medical industry.

MDI contacted the Kansas Fund to determine whether there was a list of the data reported by Kansas companies on premium rates, claims costs, etc. The Fund said they do not have a specific data reporting requirement. Instead, almost all of the data they need can be found on their mandatory claims/surcharge reporting forms. For example, as you know, insurers in Kansas are responsible for collecting the surcharge. When the check is submitted to the Fund, the insurer files a document that identifies the provider, the specialty, the premium actually charged and demonstrates how the surcharge was assessed. The Fund then culls the data from the information provided and incorporates it into their master system which is then formatted to allow them to extract all provider rates by specialty or geographic location or by premium amount.

Additionally, since insurers are required to notify the fund of any claim, the fund is able to track the number of claims and if the claim is settled and for how much. Again, the Department does not require any special reporting from the insurer but instead maintains its data system based on the Fund's involvement with the claim.

The database used by Kansas was developed by their Executive Director who says their systems were specifically designed to allow easy access to specific data elements. As with MDI, the Kansas DOI may collect some additional information but this information is generally not used or relied on by the Fund.

Sincerely,

A handwritten signature in black ink, appearing to read 'Doug Ommen', with a large, stylized initial 'D' at the start.

Doug Ommen
Deputy Director / General Counsel

Proposed Data

Premium, exposure, loss and administrative expense data, policy issues, cancellations, and non-renewals could be reported by

Insuring Entity Type (Licensed, self-insured, surplus lines, RRG)

Provider Type (Physician, dentist, nurse, etc)

Medical specialty (standardized to the ISO risk classifications)

Territory, or other geographic identifier. For MO, ISO defines three territories for statistical reporting: St. Louis City and County, Jackson County, and the remainder of the state. Other geographic unit could be substituted, such as MSA or county.

Additional rating / surcharge/ or discount categories (such as prior claims, etc)

Policy Type (basic, excess, tail coverage, etc)

Coverage Type – occurrence, claims made

Policy Limit Categories

For each of the reporting categories listed above, the following data elements should be reported:

Earned Exposures – coverage of one entity for one year for policies that are in effect

Written Exposure – written coverage for one year for one entity

Earned Premium –

Written Premium

Number of claims open at beginning of the reporting period

Number of open claims at end of reporting period

Number of claims opened during reporting period

Number of unpaid claims closed during reporting period

Number of paid claims closed during reporting period

Defense & cost containment expense incurred

Defense & cost containment expense paid

Defense & cost containment expense outstanding

Total indemnity paid on claims closed during reporting period

Total indemnity outstanding on claims closed during reporting period

Total indemnity outstanding on claims closed prior to reporting period

Direct Losses Incurred

Number of cancellations

Number of non-renewals

Number of policy-lapses

**Example of Proposed Data Collection
2 Sample Records**

Entity Type	Provider Type	Specialty (ISO Code)	Territory	Experience Mod Category (Prior Loss)	Policy Type	Coverage Type	Policy-Limit	Premium Written	Premium Earned	Written Exposures	Earned Exposures
RRG	Physician	80116	2	20%	Basic	Occurrence	200/800	\$500,000	\$300,000	3	2
Lic. Insurer	Dentist	84315	3	0%	Excess	Claims-Made	500/1M	\$250,000	\$300,000	4	4

Claims Open-BOP	Claims Open – EOP	Claims Opened During Period	Paid Claims Closed During Period	Claims Closed Without Payment During Period	Defense and cost containment expense Incurred	Defense & Costs containment expense Paid	Defense & Costs Containment Expense Outstanding	Other claims related expense incurred	Other claims related expense paid	Other claims related expense outstanding
0	1	1	1	0	\$50,000	\$30,000	\$25,000	\$3,500	\$3,500	\$0
1	1	1	0	1	\$10,000	\$10,000	\$5,000	\$0	\$0	\$0

Cancellations during Period	Non-renewals during period	Number of Lapses during Period	Direct Losses Incurred	Total Indemnity Paid on claims closed during period	Total Indemnity Outstanding on claims closed during period	Total Indemnity Paid on claims closed prior to reporting period	Total Indemnity Outstanding on claims closed prior to reporting period
1	0	1	\$183,000	\$100,000	\$30,000	\$3,000	\$50,000
0	0	0	\$5,000	\$0	\$0	\$2,000	\$3,000

Current data collected pursuant to RSMo 383.105:

Claims are collected on a quarterly basis. Claims are filed once when they are opened, and again when they are closed. These data contain:

Item Number	Description
2a	Date of injury
2b	Date reported to insurer
2c	Date reopened (if it's a reopened claim)
2d	Original claim ID number (if reopened claim)
3	Practitioners license number
3a	Insured last name/or hospital or clinic name
3b	First Name
4a-4f	Name(s), License number(s), address, etc. of any additional health workers involved in claim
5a-5f	Name(s), license number(s), address, etc. of personal alleged to have caused claim, if other than the insured
6a	Profession code of insured (Physician, Dentist, Nurse, etc)
6b	Specialty code (ISO specialty code for specific specialties
6c	Type of practice
7	Location where injury occurred
8	Name of institution where injury occurred
9a-9f	Name, address, etc of injured party
10a-10f	Name, address, etc of person instituting claim (if other than injured party)
11	Total number of defendants
12a	Amount reserved for indemnity if claims is outstanding
12b	Amount reserved for expense if claim is outstanding
13a-13d	Plaintiff attorney's name, address, etc
14	Nature and substance of claim (written description)
14a	Act or Omission Code (standardized to National Practitioner Databank)
15	Severity of injury code (9 point scale)
17	Date of payment of closure
18	Claim disposition code (prior to, during, or subsequent to court proceedings)
19	Settlement code (before suit, before trial, during trial, etc)
20	Court code (direct verdict for plaintiff, judgment notwithstanding verdict for plaintiff (judgment for defendant), etc
20b-20d	Information about court (name of court, docket number, etc)
21	Indemnity paid by insurer on behalf of defendant
21a	Economic damages
21b	Non-economic damages
22	Other indemnity paid on behalf of defendant
23	Indemnity paid by all parties for all defendants
24	Loss adjustment expense paid to defense counsel
25	All other allocated loss adjustment expense paid by you
26	Injured person's incurred medical expense
27	Inured person's anticipated future medical expense
28	Injured person's incurred wage loss

Item Number	Description
29	Injured person's anticipated future wage loss
30	Injured person's other expenses